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The Partnership between Academic and Business Environment

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Abstract

Nowadays, the partnership between the economic academic institutions and the business environment is a core key performance indicator (KPI) for assessing the efficiency and accountability. Still, in many cases and for different reasons this partnership does not work well. As various international studies emphasized there is a certain gap between the competences and the skills acquired by the students and the requirements of the employers regarding the educational background of the graduates. Thus, the purpose of this study is to determine the perception of employers from the Arges County regarding the competences and the skill acquired by the economic students and to identify directions of improvement in teaching and practical training method from this perspective. In order to fulfill the purpose of the study, empirical data were collected in a survey that was conducted in the Arges County in the context of a project financed from European funds. The empirical findings emphasize the existence of a certain gap between the two parties – employers and university, regarding the competences and skills that should be developed in order to increase graduates' competitiveness and effectiveness.

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1. Introduction

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In the current European economic and social context, increasing the competitiveness of universities is influenced by business attraction and involvement in supporting the activities of education, research and development so that it can be achieved the Development Strategy 2020 object, namely 75% percentage of employment and 40% percentage of educated people. In the European Union, young people who are, according to Eurostat statistics, one fifth of the total population is facing difficulties related to the education and training systems and the insertion in the labor market (youth unemployment about 22% in 2012).

Innovation, education, social inclusion and environment / energy represent the key objectives of EU to be achieved by 2020 and are aiming to increase the employability of human resources. The European occupational strategy requires the following objectives: a better matching of skills with labor market needs, a more intense approach of the academic environment to the professional one, anticipating demand for skills. This strategy is based on the Agenda for new skills and jobs in Europe 2020 and is supported by the European Employment Observatory (EEO) and the Mutual Learning Programme (MLP).

Regarding the correlation of population education with labor market needs, now some new problems are emerging including: excess of graduates in relation to labor market needs, imbalance between university curricula and the needs of the economy, inadequate skills and abilities of graduates with the roles that should play in the labor market.

The need to develop students' skills in line with the request of human resource made by the organizations is supported by the European Directive of Higher Education. Among the priority areas for EU Member States there are also included:

- increasing quality and relevance of higher education so that the curricula to satisfy both the individual requirements of training and labor market needs and those of future professions;
- creating increased opportunities for students to acquire additional skills through study and internships;
- strengthening the relationship between education, research and business environment to promote excellence and innovation;
- ensuring effective financing and investing in quality education that meets the requirements of the labor market.

The importance of university and partnership with the business environment was the subject of the document regarding the modernization Agenda for universities-2006 in which there is also a changing area that directly aims the university -business environment dialogue, and to offer incentives to encourage partnerships. In 2009 the European Commission published a strategic document on a new partnership for the modernization of universities: EU Forum for University-Business Environment Dialogue in the content which presents key issues on which dialogue can provide solutions to increase the preparedness of graduates and increase the innovation capacity at the European level. In June 2010, in the European Strategy 2020 were included three initiatives that relate to education and university – business environment cooperation.

Nationally, the current new legislative framework of the Romanian Higher Education – National Education Law no. 1/2011, the Evaluation Methodology for classifying the universities and ranking the study programs – Governemnt Act 789/2011, the external evaluation Methodology ARACIS (The Romanian Agency for Quality Assurance in Higher Education), the set of performance indicators proposed in the Green Paper and ACADEMIS projects "Towards quality and leadership in higher education in Romania in 2015", and perceptions of teachers, students and Romanian employers measured in 2009-2011 emphasize the need of the university to relate to the business environment and to opening it to the local communities and the external environment (Păunescu, Vlăsceanu, Miroiu, 2011, p.169). Sociological studies undertaken in recent years on the quality of higher education in Romania (Păunescu, Vlăsceanu, Miroiu, 2011) have shown that the overview of the quality resulted from the perceptions of teachers, students and employers is that of a higher education with a relatively high level. The Romanian education system is perceived, however, as a system whose links with the external environment are insufficiently explored and analyzed, less involved in society. The quality of the system's finalities is vulnerable. The confidence in universities registered a downward trend, especially in terms of the link with the labor market. The characteristics of Romanian higher education from the undertaken studies (Păunescu, Vlăsceanu, Miroiu, 2011, p.36-37) can be summarized as: an education focused more on content and less on skills, on the transmission and reproduction of information and not on the production of knowledge, students being passive recipients of a certain amount of information.

Given the fact that there is a gap between employers and university on the skills and abilities of graduates, this article aims to determine perceptions of employers, the most important customers of the university, on the expectations of the skills and abilities of graduates. It is the employers who have a definite experience of

collaboration with the university related to the joint effort to increase competitiveness of the capital students future economists.

2.Literature Review

The performance of the partnership between the academic economic education and the business environment is a key indicator in assessing the efficiency and responsibility involved by the university. The relationship *university - employability* is considered to be extremely important in assessing the quality of higher education. To assess the extent of content adaptation and purpose of higher education institutions' activities, it was necessary to closely monitor the insertion of graduates into the labor market as a relevant indicator for the quality of higher education. To develop lasting relationships with employers it is very important for the university to meet their expectations and opinions. On the other hand, the university is called upon to adopt the concepts, tools and techniques used by the businesses environment,"among these are TQM and marketing". (Khalifa,2009). This may increase the importance of the business environment as a stakeholder. Under this approach, business environment should be taken as a model by the universities. (Zaharia R, et al,2014, p.560)

Educational effectiveness is expressed by using the term *employability* which emphasizes the need to include the views of employers as stakeholders within the process of product correlation offered by universities with the market requirements. Harvey (1999, p 4) defines employability as the ability to prove to the employer the graduate's qualities that the employer considers as being necessary for the effective functioning of the organization he/she represents. He also argues that national governments are responsible for establishing stronger links between graduates and the real world by creating models of partnerships development between the university and the business environment in order to train specialists for the labor market and who should acquire all the knowledge and practical skills during university studies both from teachers and also from different areas of business professionals. Harvey (2000, p.6) stated that the model university-employability should not be regarded as a purpose of higher education, but as a means of lifelong learning and employability is built on strategic partnerships and institutional collaborations, knowledge transfer and continuous flow of information between partners.

There are professionals (Lee Harvey, Selena Mason, 1996) who believe that the real problem of university graduates is actually their integration into an organization and the speed with which they can contribute effectively to the organization's activities. In a world in constant change, graduates have little time to adjust to a new job. In addition there is always the possibility of making a professional career planning, the share of young people aged 15-24 years old segment receiving fixed-term employment contracts is thus reduced. Organizations, especially SMEs, do not have the financial resources to provide training graduates to adapt to the workplace. Therefore, it is important for graduates to be able to use their knowledge, skills and abilities to meet the challenges of the workplace.

The analysis of the link between universities and the labor market conditions for employability in the knowledge based society and the key role of skills within this relationship was the subject of two projects funded by the European Commission – the CHEERS (Careers after Higher Education – A European Research Survey, 1998) and REFLEX projects (The Flexible Professional in the Knowledge Society; New Demands on Higher Education in Europe, 2004). Although these problems are found in the studies of several authors (Strauss & Sawyer, 1986; Glytsos, 1990, Ashton & Green, 1996; Staszic, 2001; Semeijin, Boone, van der Velden and van Witteloostuijn, 2005; Barth Godemann, Rieckmann & Stoltenberg, 2007; Biesma, Pablova, Van Merode & Groot, 2007, OECD, 2008, Kelly, O'Connell and Smyth, 2010; McGuinness & Solan 2011), there is no common view on the best combination of skills to ensure success on the labor market.

Freire, M. J. Teijeiro, M. Rungo P (2013) showed that there were significant differences between the competences formed during university studies and the competences required by the labor market. Among the most important differences identified we can mention the capacity to find solutions for the arising problems, the ability to apply knowledge in practical situations, the ability to work independently and interpersonal skills. Graduates who managed to develop the skills required by the labour market were successful. On the other hand, the researchers have demonstrated that the skills related to the personality features of the individual come as a support for obtaining a job for the candidate. Therefore, it is necessary for the university to consider developing such skill types at the expense of instrumental skills related more closely to the ability and education of the graduate. This is a relatively new research finding connected to the labour market.

A key factor in the employability quantification of a graduate is represented by the professional skills (Bradley & Nguyen, 2004; Freire & Teijeiro, 2010). These can be obtained through practical experience, training, or by formal means. (Hartog, 2001; Rychen & Salganik, 2003; García-Aracil & Van der Velden, 2008). Generally

speaking, competence refers to an individual's ability which is shown by the training level, knowledge and expertise to learn as a result of the qualification process. Professional skills of employees are defined, in the specialized literature, as being represented as a set of identifiable and evaluated knowledge, skills, values and skills related and which permit satisfactory performance in real work situations, in accordance with the standards used in that work. (Freire Seoane M., Teijeiro, M -2010).

According to the DESECO (Definition and selection of competencies, 2003), made by OECD (The Organization for Economic Cooperation and Development), the competence is the ability to respond to the requirements and fulfill duties properly, namely the real and demonstrable ability to do something. Expresses an individual's productive capacity used in a specific context of work and measured in terms of performance. The knowledge and skills are necessary but not sufficient by themselves to effectively perform the tasks associated with a job (Corominas , 2001; Cajide et al, 2002; Villa & Poblete , 2007; Freire & Teijeiro , 2009). There are many studies that support the fact that success in the labor market is influenced by the existence of communication skills, leadership, customer focus, understanding, emotional intelligence (Kiong-Hock, 1986; Levy-Leboyer, 1992; Bethell-Fox, 1997; Le Boterf, 2001; Stasz, 2001). The most important skills required by employers for labor market success are the so-called generic skills such as teamwork, communication skills, problem solving plus specific skills that are gained by experience or formal education. Generic competencies are common to many professions and are related to experimenting skills, knowledge and values acquired according to the personality traits needed in various professional fields and are transferable between different activities within a sector. In the Final Report (2001/2002) of Tuning Education Structures in Europe generic skills were classified into three main groups: instrumental, interpersonal and systemic. *Instrumental competencies* are cognitive, methodological, technological and language skills that are necessary for the understanding, construction, operation and use of the various critical professional activities. *Interpersonal competencies* are related to the ability to relate to others, to be part of different groups, and the ability to work in group. *Systemic competences* relate mainly to individual qualities, the ability to develop motivation for work and are obtained after acquisition of instrumental and interpersonal skills. Harvey and Green (1994) tried to find in the QHE project to find answers to this question „What would it mean a quality graduate for an employer? The QHE research, based on empirical investigations and the literature suggests that there are four categories of factors underlying the employment of graduates:

- the knowledge and ideas of graduates with which they come into the organization;
- willingness to learn and learning speed;
- flexibility, adaptability and the ability to cope with change;
- logical, analytical, critical and problem solving spirit and skills of synthesis, and the impact they have on innovation.

Generally, the attributes that employers consider as being important when hiring graduates are the following ones: knowledge, intellectual ability, ability to work in a modern organization, interpersonal skills (lack of arrogance, awareness of the necessity to earn the respect of peers, the ability to communicate with all categories of employees not only superior studies graduates), written and oral communication with employees and customers. Employers expect graduates to have a wide range of attributes in addition to a sufficient amount of knowledge.

Researches in the field converge towards the idea that it is necessary to have a better compatibility of the collaboration between the academia and the businesses in order to ensure the required profile of skills required by employers to achieve a high level of employability of graduates in the labor market. Development of all skills requires (Plăiaș , 2011) the existence of properly structured curricula that is well prepared in a manner that promotes the acquisition of specific skills, development of professional skills and professional integrated attitudes.

3. Research methodology

The present study was conducted in the context of the project financed by European funds and implemented by the Economics Faculty during the years 2011 and 2013, a project which had the purpose of facilitating the economics students' transition from academic life to labour market through internships. Thus, the data was collected from the representatives of companies that participated into the project and had an internship experience with economics students, thus ensuring a well know context of evaluation. Out of a total of 45 companies that were contacted, a number of 42 were accepted to participate in the survey. The instrument projected for the data collection was divided into several sections and, in order to measure the competences and the skills acquired by the economic

students or that should be acquired by them, a 5 points Likert scale was used.

4. Empirical findings

Regarding the reasons of involving into such a collaboration, companies' representatives sustained the following: first of all, the social responsibility of the company is an enhancer of involvement ($M=4.2813$) and factor like recruiting a high potential work force ($M=4.1250$) and ensuring an additional work force during some periods of the year ($M=3.4375$) stimulate the involvement in this kind of collaboration. Most of the companies agreed upon the fact that during a year the ideal number of students for internships is around 5-7 (38.7%) or around 2-4 (32.3%). Regarding the ideal period during a year for internships, most of the companies argued that May-June (33.3%) or July-August (26.7%) is most appropriate period in this sense.

In order to identify the gaps between the academic training of the economic students and the companies' needs the necessary data were analyzed comparatively. According to the mean values recorded to the entire sample level, there were identified some differences regarding the hierarchy of the competences and the skills approached from the two perspectives – which was developed in the academic institution / should be developed to fulfil companies' needs. First of all, the results of the study emphasized that economic students were appreciated by employers as having a good training, taking into account that most of the variables used in the study recorded mean values over 4.00. Still, someone can notice the there are gaps between the two perspectives of evaluation.

The top five competences and skills acquired by economic students in the perceptions of companies representatives were: (1) digital competences ($M=4.5625$), (2) fast learning ($M=4.5000$), (3) the ability of reporting ($M=4.4516$), (4) the ability of team work ($M=4.4063$), (4) the ability of being understood by others (4.4063) and (5) synthetic thinking ($M=4.3438$).

Regarding the companies' needs, the hierarchy is different: the ability of team work ($M=4.6875$), (2) fast learning ($M=4.6563$), (3) the ability of being understood by others (4.6250), (4) digital competences ($M=4.5938$), (5) creativity ($M=4.5625$)

From the results presented above it is obvious that the economic students acquired, during their study period, some important competences and skills. Digital competences were recognized by employers as being the most important ones and, even if these competences are recognized as being important for future employees, these ones were still placed only on the forth position in the companies hierarchy. Fast learning and the capacity of knowledge accumulation was recognized by employers as being the second economic students' ability. It is important to underline the fact that this ability is also the second most important one in the company hierarchy, and that there is a high correlation between students' competences and skills and companies' needs in this evaluation. On the third and fifth positions some other competences were placed, competences that are not recognized by employers as being very important for future employees: the ability of reporting and synthetic thinking.

On the other hand, the empirical findings emphasize that companies are looking for future employees with competences and skills which allow them a fast adaptation and integration into the company day-by-day activities. Thus, being productive even from the first day of work is a very important criterion in the employment process. It is no wonder that in many previous studies the empirical findings emphasized that the professional experience is an important criterion used by companies into the process of recruiting employees. On the other hand, companies put a great emphasise on the ability of team work and the capacity of the employee to work through collaboration. This capacity is enhanced by the ability to be understood by other employees which was considerate as the third most important skill by the employers. The creativity is also a top skill for the employers which were looking for labour force with a high capacity of finding innovative and creative solutions.

The least important competences and skills that companies are looking for in the case of future employees are: the coordination capacity ($M=4.2500$), the ability of mobilization of other people ($M=4.2813$), the ability of reporting

(M=4.3750) and critical thinking (M=4.3750). Even if the ability of reporting was one of the top skills of the economic students, this does not seem to be so important for the company. These results emphasize that companies are not interested in those competences and skills that can be associated to a leader position.

Regarding the directions of collaboration with the faculty, companies are firstly interested in interactions with economic students through internships (M=4.0625) and in disseminating information about job vacancy within company (M=4.0333). Companies are less interested in scientific research joint projects (M=3.1379) and getting feedback for improving the curriculum of the study program (M=3.7241).

5. Conclusions

Starting from the conclusion that there is a gap between the employers' perception and the university didactic staff concerning the competences and the skills of the higher education graduates, this article aimed to measure the employers' perception, the most important clients of the university, perception referring to their expectations connected to the competences and the skills of the graduates. We took into consideration the employers who have a certain experience with the university, that is with the economical studies programmes, in connection with the continuous effort of raising the competitiveness of the students' capital as future economists. The collaboration of the university with the business environment within the specialty practice training had, as a result, a better understanding of the university curricula by the employers and also the awareness of the necessity to involve more into common project development with the purpose of contributing to the formation of the skills and competences necessary for a graduate to integrate fast to the present requests imposed by a job. Some of the conclusions are that the university training in the economy based on knowledge must be better correlated to practice needs. A change is compulsory to take place, that is promoting a formative training as opposed to the informative one and directing this one towards personal and professional development. Another conclusion is that the employers are interested in collaboration with the faculty in the direction of practical training of the students, in a higher measure than they are interested to develop common scientific research projects. Since the small and middle size companies do not have the necessary financial resources that can allow them to have training stages for the newly employed people, the employers are interested in those graduates that have competences and skills which can allow them a faster adaptation to the specific of the working place, who can work efficiently in a group and are creative, creativity being considered a top skill.

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